(b) whether rational taxation system and tax administration by simplifying the rules are also some of his suggestions;

(c) if so, what is Government's reaction thereto; and

(d) the steps being taken in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) No, Sir. However, in a seminar organized jointly by the Confedration of Indian Industry (CII) and National Council of Applied Economic Research (NCEAR), Governor, RBI emphasized the need to move towards a more rational tax system characterized by a long term fiscal policy, that would represent a consensus amongst policy makers, industry and common man.

(c) and (d) In view of the above, does not arise. However, rationalisation and simplification of the taxation system is an ongoing process and decision of the Government in this regard is reflected in the annual budget presented every year.

Clearance of Stock Market Defaulters by Appellate Tribunal

3729. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that certain entities which had been found guilty of rigging of share prices in the stock market by SEBI have been subsequently cleared by the Appellate Tribunal;

(b) if so, the details thereof;

(c) whether the Tribunal striking of full SEBI orders consisted of one member benches;

(d) if so, whether this is commensurate with the principle of a sound quasi-judicial principle; and

(e) if not, whether there is a case for a change in the existing law?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The Securities and Exchange Board of India (SEBI) after investigation found certain companies *viz.*, BPL Ltd., Sterlite Industries Ltd., Videocon Industries Ltd. and their promoters guilty of indulging in price manipulation in the scrips of their own companies on Bombay Stock Exchange and therefore debarred all these companies and directed initiation of prosecution against the Directors of these companies. These companies and their promoters filed appeals before Securities Appellate Tribunal (SAT). SAT in the matter of appeal filed by Sterlite Industries has struck down SEBI orders and has held that power of Section 11 B is only remedial and cannot be used to penalise.

(c) Section 15 K of the SEBI Act, 1992 provides that the Central Government shall by notification establish one or more Securities Appellate Tribunals. Section 15 L prescribes that a Securities Appellate Tribunal shall consist of only one person (to be referred to as the Presiding Officer of the SAT) to be appointed by notification, by the Central Government.

(d) and (e) These provisions of SEBI Act, 1992 do not violate any *quasi-judicial* principles.